

Program A: Business Services

Program Authorization: R.S. 36:101 et. Seq.; R.S. 25:315 et. Seq.; R.S. 33:4702 (H); R.S. 51:941 et seq.; R.S. 51:2302; R.S. 47:3201-3205; R.S. 30:142D.5(a-c); R.S. 47:4301-4306; R.S. 47:34; R.S. 47:1951.1-1951.3; R.S. 39:991-997; R.S. 47:6005; R.S. 46:813-814; R.S. 17:3389; R.S. 51:1781-1787; R.S. 47:1121-1128; R.S. 51:938.1; A Part II, Section 21 (F&I); as amended by Acts 6,7,8,9 and 12 of the 2001 Regular Legislative Session.

Program Description

The mission of the Business Services Program is to implement strategies that will contribute to building a higher value-added economy by encouraging technological growth and maximizing opportunities presented by technological change through collaboration and cooperation.

The goals of the Business Services Program are:

1. To be the catalyst for retaining, creating, and increasing jobs and business opportunities for all Louisiana citizens.
2. To provide the communications and research services necessary to support Louisiana economic development programs.
3. To ensure that the laws, policies, and practices effecting business competition are conducive to and provide incentives for business growth.
4. To increase the formation, growth and survival rates of technology based businesses.
5. To establish working relationships with key economic development partners and stakeholders to promote technology-based business and industry.

The Business Services Program encourages and assists in the start-up and expansion of business and industry; provides technical and financial assistance to economically disadvantaged contractors and businesses; provides international expertise to develop and optimize global opportunities for trade and inbound investments; provides local partnering services for community development projects; provides communication, advertising and marketing, and research activities; provides economic development grant writing and administration activities; provides for music, film and video development and promotion. This program administers initiatives based on technology development and innovation. The Business Services Program has nine activities: Executive, Business Retention and Assistance, Local Partners, Technology, Innovation and Modernization, Grants Services, Communications and Research Services, Music, and Film and Video.

The Executive activity provides leadership for all Office of Business Development activities.

The Business Retention and Assistance activity supports the creation, retention, expansion and recruitment of industries along with eight regional representatives located throughout the state; assists companies with international trade opportunities; and provides services to small and emerging businesses.

The Local Partners activity is the state's outreach arm, where regional representatives serve as a conduit to state resources for local development entities and support efforts to create, retain, expand, and recruit industries into the state.

The Technology, Innovation and Modernization activity coordinates resources dedicated to improving the ability of businesses through the state to utilize technology and serves as a conduit between the universities and businesses to encourage collaboration and research.

The Grants Services activity coordinates the state's efforts to obtain economic development grants and other funds by providing information and assistance with locating funding sources and preparation of proposals and applications.

Program A: Business Services

The Communications and Research activity acts as the information arm of the department by conducting research, developing industry-specific promotional and support materials, maintaining relevant economic and market data, and coordinating communications and public relations.

The Music activity promotes and develops the state's popular commercial music and related industries to provide economic and cultural benefit for the state, and to preserve Louisiana's musical legacies.

The Film and Video activity promotes film and video production in the state to increase employment, tax revenues and spending in the state, and to ensure an accurate and positive portrayal of the state in film projects.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2000-2001	ACT 12 2001-2002	EXISTING 2001-2002	CONTINUATION 2002-2003	RECOMMENDED 2002-2003	OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$27,350,448	\$36,105,166	\$36,609,782	\$19,822,382	\$27,406,303	(\$9,203,479)
STATE GENERAL FUND BY:						
Interagency Transfers	289,981	600,000	600,000	600,000	1,600,000	1,000,000
Fees & Self-gen. Revenues	33,342	2,136,390	2,136,390	2,057,981	2,055,000	(81,390)
Statutory Dedications	1,799,894	4,548,810	4,639,976	3,557,874	3,550,091	(1,089,885)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	29,093	100,000	500,000	100,000	100,000	(400,000)
TOTAL MEANS OF FINANCING	\$29,502,758	\$43,490,366	\$44,486,148	\$26,138,237	\$34,711,394	(\$9,774,754)
EXPENDITURES & REQUEST:						
Salaries	\$1,261,341	\$1,379,493	\$1,383,766	\$1,403,841	\$1,517,056	\$133,290
Other Compensation	70,221	13,734	13,734	13,734	13,734	0
Related Benefits	242,153	277,940	273,667	265,073	253,635	(20,032)
Total Operating Expenses	243,076	289,152	358,362	350,589	398,362	40,000
Professional Services	829,240	1,739,920	1,807,131	1,431,672	1,431,672	(375,459)
Total Other Charges	26,837,353	39,790,127	40,649,488	22,673,328	31,096,935	(9,552,553)
Total Acq. & Major Repairs	19,374	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	\$29,502,758	\$43,490,366	\$44,486,148	\$26,138,237	\$34,711,394	(\$9,774,754)
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	21	18	19	19	19	0
Unclassified	8	9	9	9	9	0
TOTAL	29	27	28	28	28	0

SOURCE OF FUNDING

The sources of funding for this program are from General Fund, Interagency Transfer, Fees and Self-generated Revenues, Statutory Dedications and Federal Funds. The Interagency Transfer is from the Department of Culture, Recreation and Tourism for economic development projects pursuant to R.S. 47:322.38. Fees and Self-generated Revenues are derived from the Alliance Compressors - Loan Guarantee Program and through the sale of advertising space, to produce the annual Film and Video Directory. Statutory Dedications are derived from the Small Business Surety Bonding Fund which was recreated by Act 9 of the 2001 Regular Session, the Marketing Fund based on Act 7 of the 2001 Regular Session, the Deficit Elimination Fund, based on Act 1182 of 2001 which provides funds to eliminate any deficit that occurs in the Office of Group Benefits from operations in Fiscal Year 2001-2002 and the Louisiana Economic Development (LED) Fund in accordance to Act 34 of the 1991 Regular Session. The LED funds are utilized for administrative support in the Executive Activity and for technical assistance in Small and Emerging Business Development Fund. The Louisiana Economic Development Fund includes cash from investments and vendor's compensation from the Department of Revenue and the Department of Public Safety. Acts 7, 8 and 9 of the 2001 Regular Session restructured the department; the Workforce Development and Training Fund and the Economic Development Award Fund were eliminated and subsequently merged into the Louisiana Economic Development. (Per R.S. 39:36B.(8), see table below for a listing of expenditures out of each statutory dedicated fund.) Federal Funds are provided from a grant from the U.S. Small Business Administration Outreach Program which offers technical assistance to small technology based firms.

	ACTUAL 2000-2001	ACT 12 2001-2002	EXISTING 2001-2002	CONTINUATION 2002-2003	RECOMMENDED 2002-2003	OVER/(UNDER) EXISTING
Marketing Fund	\$1,705,684	\$2,221,038	\$2,312,204	\$2,000,000	\$2,000,000	(\$312,204)
Small Business Surety Bonding Fund	\$94,210	\$2,000,000	\$2,000,000	\$1,200,000	\$1,200,000	(\$800,000)
Louisiana Economic Development Fund	\$0	\$327,772	\$327,772	\$331,988	\$324,205	(\$3,567)
Workforce Development Fund	\$0	\$0	\$0	\$0	\$0	\$0
Economic Development Award Program	\$0	\$0	\$0	\$0	\$0	\$0
Deficit Elimination/Capital Outlay Escrow Replenishment Fu	\$0	\$0	\$0	\$25,886	\$25,886	\$25,886

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$36,105,166	\$43,490,366	27	ACT 12 FISCAL YEAR 2001-2002
			BA-7 TRANSACTIONS:
\$10,000	\$10,000	0	Music Commission Activity - Carry forward for the Cutting Edge Music Conference
\$14,000	\$14,000	0	Film and Video Commission Activity - Carry forward for Warren Bell and Associates administration of the Urban Journalist and Advanced Media Arts Program
\$49,255	\$49,255	0	Business Retention and Assistance - Carry forward for Small Business Bonding legal assistance
\$189,230	\$189,230	0	Business Retention and Assistance - Carry forward for Small and Emerging Business - Technical Assistance
\$242,131	\$242,131	0	Carry forward for City of Monroe-\$72,000, Town of Waterproof-\$20,131 and the Town of Delhi-\$150,000
\$0	\$400,000	0	Grants Activity - Carry forward for a Federal Grant for an economic development project in Ferriday, Louisiana
\$0	\$91,166	0	Communications & Research Activity - Carry forward - for obligations related to the department's advertising contract
\$0	\$0	1	Increase in Table of Organization by one position. The Administrative Specialist III will assist with administrative functions.
\$36,609,782	\$44,486,148	28	EXISTING OPERATING BUDGET - December 20, 2001
\$13,206	\$13,206	0	Annualization of FY 2001-2002Classified State Employees Merit Increase
\$9,666	\$9,666	0	Classified State Employees Merit Increases for FY 2002-2003
\$26,049	\$26,049	0	Unclassified State Employees Merit Increases for FY 2002-2003
(\$504,616)	(\$595,782)	0	Non-Recurring Carry Forwards
\$86,525	\$90,455	0	Salary Base Adjustment
\$0	\$35,460	0	Group Insurance Adjustment
\$0	(\$221,038)	0	Other Non-Recurring Adjustments - Advertising, Promotion and Marketing - expenses associated with the appropriation of residual monies from the Marketing Fund
\$0	(\$800,000)	0	Other Non-Recurring Adjustments - Small Business Bonding Program - to properly reflect the fund balance available
(\$6,250,000)	(\$6,250,000)	0	Other Non-Recurring Adjustments - UNO/Navy
(\$719,557)	(\$719,557)	0	Other Non-Recurring Adjustments - UNO/Avondale
(\$1,408,361)	(\$1,408,361)	0	Other Non-Recurring Adjustment for the Louisiana Technology Park to meet required contractual obligations
(\$1,500,000)	(\$1,500,000)	0	Other Non-Recurring Adjustment to reimburse the City of Bogalusa for expenses associated with the Service Zone customer technical support center project
(\$1,000,000)	(\$1,000,000)	0	Other Non-Recurring Adjustment for Super Bowl XXXVI
(\$150,000)	(\$150,000)	0	Other Non-Recurring Adjustment for the Baton Rouge Local Organizing Committee, Inc. for expenses related to the 2001 Senior Olympic Games

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
(\$200,000)	(\$200,000)	0	Other Non-Recurring Adjustment for the Greater Baton Rouge Economic Partnership to provide a cluster-based feasibility study
(\$100,000)	(\$100,000)	0	Other Non-Recurring Adjustment for the Port of Iberia for planning and development of the use of the terminal docking facilities for small cruise ships
(\$200,000)	(\$200,000)	0	Other Non-Recurring Adjustment for the Bridge Program which provides assistance to teenagers in obtaining high school diplomas
(\$5,000,000)	(\$5,000,000)	0	Other Non-Recurring Adjustment for technology-based economic development initiatives through the Lafayette Economic Development Authority
\$0	(\$400,000)	0	Other Non-Recurring Adjustment for the Grants Activity for a federal grant for an economic development project in Ferriday, Louisiana
\$0	(\$26,390)	0	Other Non-Recurring Adjustment for expenses to maintain a published directory of Louisiana Manufacturers - the directory is now being published by another entity
(\$44,507)	(\$61,578)	0	Group Benefits Over/Under Budget Request Calculation Adjustment
\$1,750,000	\$1,750,000	0	Transition Package offered for the Charlotte Horner's National Basketball Association Team relocation to New Orleans
\$1,000,000	\$1,000,000	0	Funding provided for the NCAA Men's Final Four and the NCAA Women's Volleyball Championship which will be held in New Orleans
\$250,000	\$250,000	0	Funding provided for promotional and operational expenses of the New Orleans Classic Foundation to host the Compaq Classic Golf Tournament in New Orleans
\$1,500,000	\$1,500,000	0	Funding provided for the implementation of a Cooperative Endeavor Agreement for Public Health Research Facility
\$1,753,516	\$1,753,516	0	Additional Funding for Advanced Maritime Center (UNO/Avondale Project)
\$100,000	\$100,000	0	Additional Funding for the Sugar Bowl
\$82,000	\$82,000	0	Other Technical Adjustment to transfer travel and special marketing activities from Cluster Services
\$55,000	\$0	0	Net Means Of Financing Substitution - Replace Fees and Self-generated revenues with State General Fund to support the continuing operations of the department due to a decline in business incentive fees.
\$350,000	\$350,000	0	New and Expanded Adjustment for Partnership of Greater Baton Rouge - for the nine parish regional economic development organization in the Greater Baton Rouge area
\$897,600	\$897,600	0	Funding provided for the Economic Development Grants Match Program to facilitate and strengthen the state's ability to compete for competitive grant awards.
\$0	\$1,000,000	0	TANF Funds provided by Department of Social Services to fund Microenterprise Development which will be transferred to Department of Economic Development from the Office of Women's Services.
\$27,406,303	\$34,711,394	28	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$27,406,303	\$34,711,394	28	BASE EXECUTIVE BUDGET FISCAL YEAR 2002-2003

05-252

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$27,406,303	\$34,711,394	28	GRAND TOTAL RECOMMENDED

PROFESSIONAL SERVICES

\$92,500	Funds provided to market research in each of the targeted cluster areas to develop cluster-based economic development strategies
\$7,500	Automation of the card catalog within the Office of Policy and Research library in order to make the collection more accessible to staff
\$1,211,682	Provide advertising, promotion and marketing related services for the Department's programs with emphasis on an economic approach targeted at identified economic development clusters and any other services deemed necessary
\$49,990	Economic Development Efforts in maintaining the military segment of the state economy
\$20,000	Provide public relations services and administrative support to the Military Advisory Board
\$50,000	Funds provided for Phase II of an economic development impact study analyzing the impact of expenditures of the US Department of Defense, US Coast Guard, and the Veteran's Administration in Louisiana. Phase II will entail the development of an implementation plan based upon the assessment.
\$1,431,672	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$129,465	Special Marketing - Funds are used for meetings with prospects, group activities, special events, and activities to promote economic activity and stimulate interest in Louisiana as a business location.
\$10,000	Special Marketing - Funds are used for special marketing events associated with the Military Advisory Board.
\$352,078	Small Business Development Centers (SBDC) - Maintenance and provision of management assistance and business counseling to Louisiana small businesses
\$7,008,153	University of New Orleans Research and Technology - Avondale - Originally, the state had a 15 year contract in which the state had a 7 year commitment of \$50 million. Funding is being increased and the stream is being extended for an additional 15 years to fund the Advanced Maritime Center.
\$450,000	METROVISION Partnership - for the nine parish regional economic development organization in the Greater New Orleans area and to market the METROVISION and River Region nationally and internationally to new companies, and to create new jobs
\$300,000	National Center for Advanced Manufacturing (NCAM) - to enable University of New Orleans and Lockheed Martin to educate and train personnel in the development and application of composite materials in manufacturing, including use of a new large-scale, advanced-capability Ingersoll Milling Fiber Placement machine. These new capabilities will enhance Louisiana's economic potential for the development and manufacture of composite components and substructures in next-generation aerospace vehicles.
\$250,000	Macon Ridge Economic Development Region - provide economic development services to the 12 member-parishes of the Macon Ridge Economic Development Region in north Louisiana
\$150,000	South Louisiana Economic Development Council - perform a strategic planning initiative (Bayou Vision) to plan, implement, and maintain community education, and economic development activities that result in the economic growth and diversification of the Bayou Region (Assumption, Lafourche, Terrebonne and St. Mary Parishes)
\$100,000	Training to educate and inform communities/economic development professionals and department staff throughout the state on cluster based economic development. Additionally, funds will be used to begin development of a comprehensive professional development curriculum for department staff.
\$100,000	U. S. Small Business Administration Rural Outreach Program - Federal Grant to further expand work efforts of small technology based firms
\$480,000	Local Partner Services - The state's outreach arm, where regional representatives serve as a conduit to state resources for local development entities and support efforts to create, retain, expand, and recruit industries into the state.
\$1,200,000	Small Business Surety Bonding Program - Supports the Small and Emerging Business Development's effort to provide financial assistance to small businesses to mitigate gaps in the state surety bond market.
\$308,000	Small and Emerging Business Development - Technical assistance to provide funds for assisting small and emerging businesses by contracting services with certified public accountants, management consultants, marketing specialists and other technical service providers.
\$250,000	LA Technology Transfer Office - To operate the State of Louisiana Technology Center Office at the John Stennis Space Center.
\$315,000	La Partnership for Technology and Innovation - Assist Louisiana-based small and medium-sized businesses to become globally competitive and accelerate the movement of processes and products developed by Louisiana universities in the marketplace.
\$350,000	Greater Baton Rouge Economic Partnership - To market the 9-parish economic development organization in the Greater Baton Rouge area. Funds are used to market the region nationally/internationally to new companies.
\$3,000,000	University of New Orleans Research and Technology Foundation, Inc. - US Navy Information Technology Center - Funding represents the 4th year of a 4 year commitment.

OTHER CHARGES

\$4,391,639	Louisiana Technology Park and Solid Systems, Inc. - Renovate and lease for Incubator space and the sub-leasing of a portion thereof to complete a Data Center with the intent to achieve total employment in the Louisiana Technology Park (located in Baton Rouge) of approximately 2,400 persons by the year 2008.
\$1,100,000	Sugar Bowl - Funds available/required by the Sugar Bowl to be a member of the College Football Alliance.
\$375,000	Independence Bowl - Funds available/required by the Independence Bowl Foundation to host the MainStay Independence Bowl in Shreveport, Louisiana.
\$300,000	New Orleans Bowl - Funds available/required by the Greater New Orleans Sports Foundation to host the New Orleans Bowl.
\$75,000	LA Council for Economic Education - Provide administrative services which will facilitate the planning, coordinating and performance of economic education activities of the state Louisiana Council for Economic Education office and the eight university and college based Centers for Economic Education.
\$50,000	LA Furnishings Industry Association - Development, design and startup of industry retention programs, targeting instate industries for expansion and startup, operating trade shows, participate in multi-state trade initiatives and other activities that promote the organization, communication and growth of the state's secondary forest products industry.
\$776,610	Marketing Education Initiatives - Marketing Education Retail Alliance - This program rewards and motivates high school students throughout the state by providing enhanced and/or enriched learning opportunities. This program improves the visibility and understanding of lifetime skills available through marketing education, enhances the linkage between schools in Louisiana, national DECA, employment opportunities and the international marketing environment, improving the educational experiences available for Louisiana's young people, and upgrades technology in Louisiana schools and promote/encourage National Retail Skills Standards.
\$223,390	Marketing Education Initiatives - Southern Community Development Corporation - Education programs for the retail community, to upgrade the image of retail careers, and provide competent and committed employees to retailers.
\$600,000	Economic Development Related Projects - For economic development projects in New Orleans pursuant to R.S. 47:322.38.
\$2,000,000	Alliance Compressors - For a loan guarantee with respect to interim and permanent financing of the Alliance Compressor Plant in Natchitoches.
\$55,000	Film and Video Directory - Production - Through the sale of advertising space, to produce the annual film and video directory. The directory is a resource of sites, facilities, services, crew and tax incentives with regard to film and video production on-site in Louisiana.
\$1,000,000	Funding provided for the NCAA Men's Final Four and the NCAA Women's Volleyball Championship which will be held in New Orleans.
\$1,500,000	Funding provided for the Office of Public Health Central Laboratory Facility which will be owned by the UNO Research and Technology Foundation. This funding is provided to pay annual lease payments to occupy the Facility. The Foundation will incur the debt to build the facility. The Laboratory Facility has a threefold mission of analysis, training and research pursuits.

OTHER CHARGES

\$1,750,000	Transition Package for the Charlotte Hornet's relocation to New Orleans.
\$250,000	Funding for promotional and operational expenses of the New Orleans Classic Foundation to host the Compaq Classic Golf Tournament in New Orleans.
\$897,600	Funding provided for the Economic Development Grants Match Program to facilitate and strengthen the state's ability to compete for competitive grant awards.
\$30,096,935	SUB-TOTAL OTHER CHARGES
Interagency Transfers:	
\$1,000,000	TANF Funds provided by Department of Social Services to fund Microenterprise Development which will be transferred to Department of Economic Development from the Office of Women's Services.
\$1,000,000	SUB-TOTAL INTERAGENCY TRANSFERS
\$31,096,935	TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

\$0 This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2002-2003.

\$0 TOTAL ACQUISITIONS AND MAJOR REPAIRS